



HONG KONG MONETARY AUTHORITY

香港金融管理局

Our Ref.: B1/15C

8 July 2021

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Reform of interest rate benchmarks

I am writing to request your institution to give a further push to promote the corporate sector's awareness of the LIBOR transition by distributing a leaflet jointly developed by the Hong Kong Monetary Authority (HKMA) and the Treasury Markets Association (TMA) to your corporate customers.

As you may recall, the HKMA and the TMA published in July 2020 a self-explanatory note about LIBOR transition in the form of questions and answers (Q&As) to impress upon corporates the need to make early preparations. Your institution kindly distributed it to your corporate customers in the third quarter of 2020. Overseas authorities have now confirmed that most LIBOR settings will be discontinued starting from 1 January 2022. To ensure a smooth transition, bank regulators around the world, including the HKMA, have required banks to cease entering into new LIBOR contracts after 2021. Taking into account the recent developments, the HKMA and the TMA have updated the Q&As and developed a leaflet to enhance the corporate sector's awareness of the transition and its implications for them.

Your institution is requested to distribute the enclosed leaflet to all your corporate customers which have outstanding LIBOR-linked contracts with your institution by 31 July 2021. Please send an email confirmation to bsdmarketrisk@hkma.gov.hk after your institution has completed this exercise.

Should you have any questions about this letter, please contact Mr Gordon Wong on 2878-1272 or Mr Anthony Choy on 2878-1547.

Yours faithfully,

Raymond Chan
Executive Director (Banking Supervision)

Encl.